

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Saint Anthony Post Office
Saint Anthony, IA 50239

Docket No. A2012-96

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(February 2, 2012)

On December 9, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked December 1, 2011, from postal customer John Benedict ("Petitioner"), objecting to the discontinuance of the Post Office at Saint Anthony, Iowa.¹ In accordance with 39 CFR § 3001.113 (a) (requiring the filing of the record within 15 days of the filing of the petition with the Commission), the administrative record was filed with the Commission on December 27, 2011. On December 29, 2011, the Commission issued Order No. 1084, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). On January 13, 2012, the Petitioner filed a Participant Statement. The following is the Postal Service's answering brief in support of its decision to discontinue the Saint Anthony Post Office.

The appeal and Participant Statement received by the Commission raises four issues: (1) the effect on postal services, (2) the impact upon the Saint Anthony community, (3) economic savings, and (4) the impact on employees. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

consideration. Accordingly, the determination to discontinue the Saint Anthony Post Office should be affirmed.

Background

The Final Determination To Close the Saint Anthony, IA Post Office and Establish Service by Rural Route Service ("Final Determination" or "FD")², as well as the administrative record, indicate that the Saint Anthony Post Office provides EAS-53 level service to, 30 Post Office Box customers, 75 delivery customers, and to retail customers 24 hours per week.³ The postmaster of the Saint Anthony Post Office retired on October 31, 1995. Since the postmaster vacancy, a noncareer officer-in-charge (OIC) has been installed to operate the office. Upon implementation of the final determination, the noncareer employee may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility.⁴ The average number of daily retail window transactions at the Saint Anthony Post Office is 34, accounting for 37 minutes of workload daily. Revenue has fluctuated, however, there has been a downward trend: \$6,413.00 in FY 2008 (17 revenue units); \$5,440.00 in FY 2009 (14 revenue units); and \$ 5,800.00 in FY 2010 (15 revenue units).⁵ The Saint Anthony Post Office has no permit or meter customers. FD at 2; Item No. 18, Fact Sheet, at 1.

² The Final Determination can be found at Item No. 47 in the Administrative Record. All citations to the Final Determination will be to "FD at___," Rather than to Item 47. The FD page number refers to the pages as marked on the upper right of the document. Other Items in the administrative record are referred to as "Item No.____."

³ FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.

⁴ FD at 10.

⁵ FD at 2; Item No. 18, Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by rural route service administered by the State Center Post Office, an EAS-16 level office located ten miles away, which has 120 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet, at 1. This service will continue upon the implementation of the final determination. FD at 2. Rural Service will also be provided to cluster box units ("CBUs"), free-standing units of individually locked mail compartments installed and maintained by the Postal Service at no cost to the customer. A parcel locker may also be installed. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Saint Anthony Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Saint Anthony Post Office. Questionnaires were also available over the counter for retail customers at Saint Anthony. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Saint Anthony Post Office, at 1. A letter from the Manager of Post Office Operations, Cedar Rapids, Iowa was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Saint Anthony Post Office was warranted, and that effective and regular service could be provided through carrier delivery and retail services available at the State Center Post Office. The letter invited customers to complete and return a customer questionnaire wherein they could express their

opinions about the service they were receiving and the effects of a possible change involving carrier delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Saint Anthony City Hall for a community meeting on June 28, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Saint Anthony, the State Center⁶, and the Clemons⁷ Post Offices from July 25, 2011 to September 25, 2011. FD at 2; Item No. 32, Invitation for Comments Exhibit; Item No. 33, Proposal Exhibit. The Final Determination was posted at the same three Post Offices beginning on November 3, 2011, as confirmed by the round-dated Final Determination cover sheets.⁸

In light of a postmaster vacancy, minimal workload, declining office revenue,⁹ the variety of delivery and retail options (including the convenience of carrier delivery and retail service),¹⁰ very little recent growth in the area,¹¹ minimal impact upon the

⁶ The State Center Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

⁷ The Clemons Post Office is a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

⁸ Item No. 49, Round-date stamped Final Determination cover sheets.

⁹ See note 5 and accompanying text,

¹⁰ FD at 2-8.

¹¹ Item No. 16, Community Survey Sheet, at 1.

community, and the expected financial savings,¹² the Postal Service issued the Final Determination.¹³ Regular and effective postal services will continue to be provided to the Saint Anthony community in a cost-effective manner upon implementation of the final determination. FD at 8.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Saint Anthony Post Office on postal services provided to Saint Anthony customers. The closing is premised upon providing regular and effective postal services to Saint Anthony customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Saint Anthony Post Office's closing, noting the convenience of the Saint Anthony Post Office and requesting its retention.

Upon implementation of the final determination most services provided at the Post Office will be available from the carrier, and customers will not have to travel to another Post Office for service. FD at 3. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 3.

¹² FD at 9; Item No. 29, Proposal Checklist, at 2.

¹³ FD at 10.

Carrier Service is also beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes or CBUs. FD at 4. Thus, customers do not have to make a special trip to the Post Office for service. In addition, special provisions are made for hardship cases or special customer needs. FD at 4.

Petitioner contends that it will be impossible for the carrier to deliver mail and render retail services in such a small amount of time. However, the Postal Service has considered the additional amount of time that will be necessary for the carrier to implement the proposed alternative replacement service. Item No. 17, Rural Route Cost Analysis Form, at 2. As explained in the record, the carrier's mail will be presorted before arriving in Saint Anthony. The carrier will have a master key to access the CBU unit and can place mail in 16 units at once. FD at 6. The estimated time that it will take the carrier to place mail in the CBU is 10 to 15 minutes. In addition, most retail transactions such as the sale of stamps and money orders do not require customers to meet the carrier at the mailbox. Thus, the carrier can perform most retail transactions without having to take the time to meet with each individual customer. Therefore, the carrier will have more than a sufficient amount of time to deliver mail and provide retail services to customers in a timely fashion.

Petitioner also contends that the purchase and sale of money orders from the carrier is not efficient or safe. The Postal Service explained to customers that they may purchase money orders by meeting the carrier at the mailbox, completing an application (which can be provided by the carrier), and paying the carrier the price of the money

order plus the fee.¹⁴ The carrier gives the customer a receipt for the application, completes the money order upon his or her return to the Post Office, and leaves a money order receipt in the customer's mailbox on the next delivery day.¹⁵ FD at 3. Customers can provide the carrier with a stamped, self-addressed envelope in which the completed money order is mailed to its destination, and can request return of completed money orders for verification on the next delivery day.¹⁶ This method is not only efficient, but also convenient for customers because it alleviates the need to travel to the Post Office for money order purchases.

Security is further enhanced through the conduct of transactions through secure CBU receptacles. The Postal Service further explained that customers may conduct financial transactions in person, or they may leave a note in their mailbox requesting the carrier to sound the horn upon arrival. In addition, customers may place a lock on their mailboxes as long as there is a slot large enough to accommodate the customer's normal daily mail volume. Customers who receive service at CBUs will have individually locked mail compartments which may only be accessed with a key furnished by the Postal Service. Item No. 21, Letter to the Customer, at 6.

The Postal Service also inquired about security risks in the area by sending a questionnaire to the Postal Inspection Service concerning mail theft and vandalism in the suspended Post Office area. Records of the Inspection Service indicate that there

¹⁴ FD at 3.

¹⁵ The Petitioner alleges that the proposed method of purchasing money orders from the carrier will impede customers ability to purchase and use money orders swiftly, adding days to the process of bill paying. However, the record explains that money orders will be delivered on the next delivery day. FD at 3. In the event that a customer needs a money order on the same day, they may call the Post Office to make accommodations with the carrier. In addition customers are also free to use any other Postal Service facility at their convenience.

¹⁶ FD at 3.

have only been three reports of mail theft or vandalism in the area. Item No. 14, Inspection Service/local law enforcement vandalism reports, at 1. As such, there appears to be minimal risk that the security of the customers' mail will be impacted by the closing of the Saint Anthony Post Office.

The Postal Service understands the Petitioners concerns regarding the safety of carriers given the fact they will be conducting multiple financial transactions, however, carriers have operated as "Post Offices on Wheels" for years. All carriers receive safety training and have been advised by the Postal Service how to conduct themselves in order to provide services in a safe and efficient manner.

While the Petitioner alleges that customers will not have the service of sending certified letters or registered mail without driving 20 miles to the Post Office, the Postal Service explained that special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. FD at 3. The carrier will provide the services that day and leave a customer receipt in the mailbox on the next delivery day. FD at 3.

Petitioner states in his appeal letter that "many people in the Saint Anthony community do not have internet access due to financial reasons or have no interest in computers; therefore usps.com is not an alternative."¹⁷ The Postal Service notes that services are also available for those customers who do not have computers. As previously mentioned, Stamps by Mail and Money Order Application forms are available

¹⁷ In his Participant statement, however, Petitioner states that, "many people in the community are angry and have stated that if the Post Office here is taken away they will pay their bills online that they mail now to support the community Post Office."

for customer convenience. Stamps are also available at many stores and gas stations where customers may already shop, or by calling 1-800-STAMP-24. FD at 3. In addition, as previously mentioned special services may also be obtained from the carrier. FD at 3.

The Petitioner also raises concern about package delivery, specifically with regard to medicine. The Postal Service explained that rural carriers will deliver packages that fit into customer mailboxes, if the package does not fit in the mailbox, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place such as your porch or a carport.¹⁸ FD at 3.

The Petitioner further contends that CBUs will not have enough parcel lockers to accommodate the Saint Anthony community because there will only be two parcel lockers per unit. The Postal Service explained that each individual mail compartment in a CBU is more generous than the basic Post Office box and should be able to accommodate small parcels. FD at 7. However, if there are more parcels than the CBU can hold in a day, the carrier will be required to deliver the packages up to 1/2 mile to customer houses. FD at 7. In the event the package is undeliverable, the package will be taken back to the State Center Post Office. At this point customers can contact the Post Office and request redelivery, thereby alleviating the need to travel to the Post Office to receive the package. FD at 8.

The Postal Service has considered the impact of closing the Saint Anthony Post

¹⁸ If the carrier attempts to deliver accountable mail and the addressee is unable to sign for the letter, the carrier will also leave a Form 3849 informing the addressee that the carrier attempted to deliver an accountable letter, but was unable. The form indicates that the letter is available in the local Post Office or the addressee may request redelivery. See Domestic Mail Manual § 508.1.1.7; Postal Operations Manual §§ 619.2, 812.4.

Office upon the provision of postal services to Saint Anthony customers. The carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 3. Thus, the Postal Service has properly concluded that all Saint Anthony customers will continue to receive regular and effective service.

Effect Upon the Saint Anthony Community

The Postal Service is obligated to consider the effect of its decision to close the Saint Anthony Post Office upon the Saint Anthony community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Saint Anthony is an incorporated rural community located in Marshall County. The Marshall County Sheriff's Department provides police protection. The community is administered politically by the Mayor and council, with fire protection provided by the State Center and Clemons Fire Department. The questionnaires completed by Saint Anthony customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Saint Anthony must travel elsewhere for other supplies and services. See generally FD at 9; Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Petitioner asserts that the Saint Anthony community is entitled to the same efficient Postal Service provided to their counterparts in urban areas. The Postal Service notes, however, that Post Offices are reviewed on a case-by-case basis. When there is a vacancy in a small office, it is customary to conduct a study of the business

activity and investigate the feasibility of providing service by alternative means. This analysis is not limited to Post Offices. Retail units in urban areas are also considered for closure. In fact, the Postal Service is in the process of analyzing closing numerous retail facilities located in urban facilities. See PRC Docket No. N2011-1. In this case, it was determined that the Postal Service could continue to provide a maximum degree of effective and regular postal services to the community through cost effective means.

Petitioner contends that many people are reliant on the Post Office for a high level of personal customer service and require a longer period of time to prepare their mailings. The Postal Service explained that courteous and helpful service will be provided by personnel at the administrative Post Office and from the carrier. FD at 6. In addition, postal employees are more than willing to provide any special assistance as needed.

The Petitioner claims that the Proposal incorrectly states that no growth is expected in the Saint Anthony community.¹⁹ Specifically, he claims that Saint Anthony has grown “at least 10% in the last year and expected to grow.” However, the Petitioner does not cite to any authority to support this contention. Moreover, the mere fact that the community has two new businesses and one that is expanding provides little concrete basis for assumption that the Saint Anthony population or economic trends will reverse themselves in the short or long term.

The Petitioner also states that the loss of the Saint Anthony Post Office will have a negative effect business community. There is no indication that the Saint Anthony

¹⁹ Presumably, the Petitioner intends to refer to Item No. 16, where the OIC reported that “not *much* growth is expected” for residential, commercial or business segments of the community. Item No. 16, Community Survey, at 1.

business community will be adversely affected. Given that minimal population growth is expected in the Community,²⁰ the Postal Service concluded that carrier service is adequate to support the existing business community²¹ and the projected future growth. In addition, the questionnaires completed by Saint Anthony customers indicate that, in general, the retirees, commuters, and others who reside in the Saint Anthony may travel elsewhere for other supplies and services, but will continue to use local businesses if the Saint Anthony Post Office is discontinued. See generally, FD at 9; Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Postal Service explained that residents may still meet informally, socialize, and share information at the other businesses, churches and residences in town. FD at 9. In addition, the Postal Service has concluded that nonpostal services provided by the Saint Anthony Post Office can be provided by the State Center Post Office. FD at 9. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 9.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Saint Anthony Post Office on the community served by the Saint Anthony Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal

²⁰ Item No. 16, Community Survey Sheet.

²¹ Petitioner states that a current business in the Saint Anthony community, Dunn Grain LLC, relies on the ability to respond to mail they receive on the same day. The alternative service will not affect the ability of the Dunn Grain LLC to respond to mail on a daily basis, as the carrier will perform deliveries and collections each delivery day.

Service estimates that carrier service would cost the Postal Service substantially less than maintaining the Saint Anthony Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Saint Anthony Post Office are \$19,495.00. FD at 9.

The Petitioner vehemently protests the discontinuance of the Saint Anthony Post Office and questions its consistency with provisions of Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” The Postal Service's view is that the "maximum degree" obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See 39 U.S.C. §§ 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Petitioner also questions the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Saint

Anthony Post Office, including a postmaster vacancy, minimal workload, declining office revenue,²² the variety of delivery and retail options (including convenience of rural delivery and retail service),²³ very little projected growth in the area,²⁴ minimal impact on the community, and expected financial savings.²⁵ The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit.

Petitioner contends that the economic savings were overstated and did not account for other costs such as the cost of the discontinuance action itself. With regard to the cost of the discontinuance action, these costs are absorbed by existing employees.

The Petitioner contends that Postal Service did not account for the loss of revenue of Post Office Boxes. With regard to the loss of Post Office box revenue, it is important to keep in mind that customers currently receiving their one form of free delivery at the Post Office currently do not pay box fees. Thus, this concern presumably only pertains to customers that switch from Post Office box service to rural carrier. For those boxes for which fees are paid, the Postal Service notes that revenue from Post Office box service is a relatively small portion of an office's total revenue, and hence the impact of any such conversions would be trivial in relation to total savings. See Docket No. N2011-1, USPS-T-1.

²² See note 5 and accompanying text,

²³ FD at 2-7.

²⁴ Item No. 16, Community Survey Sheet.

²⁵ FD at 9; Item No. 29, Proposal Checklist, at 2.

Petitioner also states that the Postal Service will now have to pay for snow removal, lawn care, and repairs to CBUs whereas before there were no cost for these services at the Post Office. According to the record, the one time cost to install CBUs is \$1,476.00. FD at 9; Item No. 15, Post Office Survey, at 2. Whatever one-time costs the Postal Service bears to maintain CBUs will be unpredictable and likely minimal compared to the cost the Postal Service currently incurs to maintain the operation of the Saint Anthony Post Office.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 9.

The Postal Service determined that carrier service is more cost-effective than maintaining the Saint Anthony postal facility and postmaster position. FD at 9. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on October 31, 1995. Since the postmaster vacancy, a noncareer OIC was installed to operate the office. Upon implementation of the Final Determination the noncareer OIC may be separated from the Postal Service, although attempts will be

made to reassign the noncareer OIC to a nearby office.²⁶ FD at 10. The record shows that no other employee would be adversely affected by this closing. FD at 9; Item No. 15, Post Office Survey Sheet, at 1.

Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Saint Anthony Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Saint Anthony Post Office on the provision of postal services and on the Saint Anthony community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Saint Anthony customers through carrier service. FD at 8. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the

²⁶ The Petitioner questions what will happen to the OIC and how the employee's status will affect the economic savings calculation. As stated in the Final Determination, the OIC may be separated but attempts will be made to reassign the OIC to another facility. FD at 10. If the employee is transferred to an existing vacant position, then the employee would be filling a position that would otherwise have been filled by another employee.

policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Saint Anthony Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Saint Anthony Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Adriene M. Davis

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-6036; Fax -5329
adriene.m.davis@usps.gov
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